SUPREME COURT, U. S.

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No. 1010

In the

Supreme Court of the United States

OCTOBER TERM, 1967

KNOWLES ELECTRONICS, INC. and HUGH S. KNOWLES,

Petitioners

vs.

TIBBETTS INDUSTRIES, INC. and GEORGE C. TIBBETTS,

Respondents

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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CITATIONS AND ABBREVIATIONS

The individual parties are the patent applicants in the interference, and the corporate parties are assignees of the applications.

The appendix annexed to the Petition for Certiorari is cited in this brief as "A"; and Petitioner's Brief is cited as "P.B.".

The District Court opinion in this case, reported at 263 F.Supp. 275, is printed at A32. The opinion of the Court of Appeals has, since the petition was filed, been reported at 156 United States Patent Quarterly 65 and is printed at A37.

The following abbreviations are used in this brief:

CCPA: The United States Court of Customs and Patent Appeals

Board: The Board of Patent Interferences of the U. S. Patent Office

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STATEMENT OF THE CASE

This is a statutory action (35 U.S.C. §146) to review the second of two separate decisions by the Board of Patent Interferences in a proceeding to determine which of two rival applicants is legally entitled to priority. The action is *de novo* in equity. *Globe-Union, Inc.* v. *Chicago Telephone Supply Co.*, (7 Cir. 1939) 103 F.2d 722, 724.

Defendants moved to dismiss this action, alleging that the District Court did not have jurisdiction. The Trial Court denied the motion to dismiss (A32-36), but certified the jurisdictional question for interlocutory appeal; the Court of Appeals affirmed "in all respects". (A44)

In its prior decision (A1-10), not now questioned, the Board of Patent Interferences had held that Tibbetts (the present respondent) was first to conceive and reduce the invention to practice and hence entitled to a patent. On appeal from that first decision, the Court of Customs and Patent Appeals (CCPA) reversed the Board, holding that Knowles had been first. That issue—Knowles' first conception and reduction to practice—thus is now concededly closed.

In reversing the original decision, the CCPA remanded the cause for separate determination by the Board of the issue—theretofore passed over—as to whether petitioner Knowles, even though first to reduce to practice, had forfeited his right to legal priority by abandoning, suppressing, or concealing the disputed invention. (A21)

The Board, without oral hearing or new evidence, rendered its second decision (A23-27), holding that Knowles had not "abandoned, suppressed, or concealed" his invention. That second separate decision of the Board is the subject of the present action.

From the start petitioners have asserted that the District Court lacks jurisdiction, their theory being that the CCPA has exclusive jurisdiction by virtue of having heard *petitioners'* appeal from the Board's *first* decision. Petitioners' first attempt to implement that theory was an emergency motion filed in the CCPA (A28-31) to "confirm jurisdiction" of that Court. That motion was summarily denied. (A 28) The Court of Appeals has characterized that maneuver as "an abortive attempt by Knowles to force this review before the CCPA." (A39)

Thereafter, petitioners moved in the case at bar to dismiss the complaint, asserting the same theory voiced in their emergency motion in the CCPA.

In a written opinion (A32-36), the District Court (Judge Decker) denied the motion to dismiss, reciting the facts in fuller detail than here stated and examining the statutory language, the legislative history as summarized in *Hoover* v. *Coe*, 325 U.S. 79 (1945), the Congressional intent of the statutes, and the equities of the case.

The Court of Appeals affirmed the District Court's order "in all respects". (A44)

QUESTION PRESENTED

The Court of Appeals framed thus the legal issue in the case at bar (A41):

> "The precise question before us, as the district court stated in its memorandum opinion 'is whether, when the Board makes two separate decisions at different times involving different issues, a waiver of a §146 suit [i.e., an action for *de novo* review in a district court as distinguished from review by the CCPA on a closed Patent Office record] as to the first Board decision constitutes a waiver as to the second decision as well." (A41-42)

THE COURT OF APPEALS' RATIO DECIDENDI

The Court of Appeals explained in detail the rationale of its decision, quoting and explicitly approving the opinion of the Trial Judge. Petitioners charge that "the case was disposed of on a literal interpretation of words, whereas this court looks to the intent of Congress"—indeed, disposed of "*entirely* on the court's interpretation of words" (P.B.19) The following excerpts from the opinions below demonstrate, however, that both courts

carefully explored Congressional intent, as well as considering the statutory language, the legislative history, the guiding precedent from this Court, and the equities of the case:

—*The Statutory Language:*

"The statutory language does not preclude and slightly favors Tibbetts' right to sue here. No violence is done to §§ 141 and 146 by reading the word 'decision' to refer to every independent adjudication made by the Board. Nothing in the statute requires a waiver following one decision to reach a second decision in the same interference. The statute speaks solely in terms of 'decisions,' not interferences or proceedings.[2] It can hardly be debated that the Board made two 'decisions' in this case.

"[2] Under § 141, an appeal in the CCPA goes forward unless a party 'elects to have all further proceedings conducted' in federal district court. However, the word 'proceedings' in § 141 is clearly controlled by the prior word 'decision' in the section and is limited to proceedings on that decision." (A42)

—*The Legislative History:*

"The legislative history favors Tibbetts' right to sue here. The purpose of requiring an election of remedies was to foreclose redundant appeals. See *Hoover Co.* v. *Coe,* 325 U.S. 79, 86-87, 65 S.Ct. 955, 89 L. Ed. 1488 (1945). Permitting Tibbetts to sue here on the Board's *second* decision does not proliferate appeals since there is certainly a right to one more appeal in this case in *some* forum. The choice of this one precludes later resort to the CCPA." (A 42)

—*The Congressional Intent:*

"Suit in federal district court was provided to save 'to litigants the option of producing new evidence

> in a court.' *Hoover Co.* v. *Coe,* 325 U.S. 79, 87, 65 S. Ct. 955, 89 L. Ed. 1488 (1945). The difficulty with Knowles' reading of the statute is evident in light of this provision. Following the first Board decision, Tibbetts saw no need to employ the special processes of this court. Tibbetts had won; evidence on questions of abandonment, suppression and concealment was unnecessary. Tibbetts' need for this forum became clear only later, after the Board's second decision; such a need could not have been discerned, except in pure prophecy, prior to that time. It is unreasonable to attribute to Congress the intention to force a litigant to make his choice not only on the basis of present facts, but on uncertain future ones as well. The statute cannot be read to give a waiver made in one set of circumstances on one decision, binding effect in new, radically different circumstances on another decision. Congress must have thought that there were differences between the two available forums which would influence a litigant's choice in light of the status of his case. There is no reason to deny the benefits of that choice when conditions have changed and the entire decision-making process has begun again on new questions." (A43)

Thus, both courts below have decided the issue not, as petitioners contend, "entirely on the court's interpretation of words" (P.B.19), but after a comprehensive study of all relevant aids to decision.

ARGUMENT

Petitioners are wrong in asserting the decision at bar to be in conflict with previous decisions of the Court of Appeals for the District of Columbia and of this Court. Only brief analysis is needed to show that this is so:

A. Petitioners' Ground 1: Alleged Conflict with District of Columbia Decisions.

Petitioners first argue (P.B.13) that the decision at bar conflicts with *Chase* v. *Coe*[1] and *Taylor* v. *Marzall*[2]. That those two decisions are inapposite here is immediately apparent from this fact: the defendant in both those cases was the Commissioner of Patents, not a party to an interference between rival patent applicants.

Chase and *Taylor*, moreover, each involved:

1. An appeal to the CCPA resulting in a final decision between the parties in an interference;
2. Subsequent *ex parte* rejection in the Patent Office of the defeated party's claims; and
3. A still later attempt, in a new action by the defeated party, to review the *ex parte* rejection.

In both cases, it was held that "the decision of the Court of Customs and Patent Appeals, after submission of the case to it without protest, is conclusive *as to all matters adjudicated by it.*" In both cases, the plaintiffs sought a second review of the *same* Patent Office decision—first in the CCPA, then in equity.

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[1] *Chase* v. *Coe*, 122 F.2d 128 (C.A.D.C., 1941)
[2] *Taylor* v. *Marzall*, 196 F.2d 592 (C.A.D.C., 1952)

In this case, the CCPA decision is *acknowledged* to be "conclusive as to all matters adjudicated by it" on appeal from the Board's first decision—that is, the issues of first conception and reduction to practice. The decision below, in other words, conflicts not at all with the law announced in the *Chase* and *Taylor* cases. Understandably, the Court of Appeals found those cases "not controlling." (A43)

B. Petitioners' Ground 2: Alleged Conflict with Bates Mfg. Co. v. U.S., 303 U.S. 468 (1937).

The *Bates* case has no relevance here: that case decided merely what acts were necessary, under a particular statute unrelated to the Patent Act, to "begin" a lawsuit, did not involve the unique election allowed by the Patent Act between appeal on a closed record or a *de novo* judicial inquiry, and presented no question of appeal from the *second* of two *separate* administrative decisions.

Bates, indeed, underscores the correctness of the courts' rulings below in the case at bar. In *Bates,* this Court interpreted statutes vesting concurrent jurisdiction of claims against the Government in the district courts and the Court of Claims. "Distinctions between the opportunities for recovery afforded in the two forums," said this Court (303 U.S. 567, 571), "would have tended to mar the symmetry of the plan * * *."

In contrast, the statutes governing appeals from Patent Office interferences create and preserve "distinctions between the opportunities" in the alternative routes of review; that distinction has been explained by this Court. The courts below in the case at bar discerned that distinction; and correctly made it the nub of the case.

More particularly, this Court in *Hoover* v. *Coe* observed that appeal to the CCPA is "summary and solely on the

record made in the Patent Office." 325 U.S. 79, 83 (1945). In contrast, *de novo* resort to a district court was provided "to save to litigants the option of producing new evidence in a court." 325 U.S. 79, 87 (1945). Applying *Hoover* to the case at bar, both courts below declared:

> "'Congress must have thought that there were differences between the two available forums which would influence a litigant's choice in light of the status of his case. There is no reason to deny the benefits of that choice when conditions have changed and the entire decision making process has begun again on new questions.'" (A43)

Thus, in *Bates* identity of ground rules in two courts was intended; in interference appeals, differences were intended and are of the essence. *Bates* is not relevant here, but *Hoover* is; and the decisions below are right.*

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* The miscellaneous tax cases cited by petitioner (P.B. 17-18) all stand for the indisputable proposition that a litigant may not have two separate determinations *of the same claim* in two separate courts of concurrent jurisdiction; but those cases have nothing to do with separate appeals on two separate administrative decisions under a statute allowing election between two fundamentally different kinds of review.

CONCLUSION

With their present petition to this Court, petitioners have urged their jurisdictional arguments before every court open to them—four in all. Three of those courts have ruled on those arguments and without exception have rejected them. They were right.

No writ of certiorari should issue.

Respectfully submitted,

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January 31, 1968

CERTIFICATE OF SERVICE

This certifies that seven copies of the foregoing Brief in Opposition to Petition for Certiorari have been served on petitioner's attorneys, Wilfred S. Stone and Anthony S. Zummer, 134 South LaSalle Street, Chicago, Illinois, this 31st day of January, 1968.

DAVID L. LADD